

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
Land Division  
Honolulu, Hawaii 96813

May 9, 2008

Board of Land and Natural Resources  
State of Hawaii  
Honolulu, Hawaii

PSF No.: 08od-070

OAHU

Consent to Assign General Lease No. S-3787 & S-3858, Warren Q. K. Yee and Ellen S. P. Yee, Trustees, Assignor, to Milo Nursery & Landscape Maintenance, Inc., Assignee, Waimanalo, Koolauloko, Oahu, Tax Map Key: (1) 4-1-10:38 & 39.

APPLICANT:

Warren Q. K. Yee and Ellen S. P. Yee, Trustees under Warren Q. K. Yee Revocable Living Trust and Ellen S. P. Yee Revocable Living Trust, as Assignor, to Milo Nursery & Landscape Maintenance, Inc., a domestic corporation, whose mailing address is P.O. Box 29972, Honolulu, Hawaii 96820, as Assignee.

LEGAL REFERENCE:

Section 171-36(a)(5), Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands situated at Waimanalo, Koolauloko, Oahu, identified by Tax Map Key: (1) 4-1-010:038 & 039, as shown on the attached map labeled Exhibit A.

AREA:

(1) 4-1-010:038 - 3.536 acres  
(1) 4-1-010:039 - 3.662 acres

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES \_\_\_\_ NO  
  X

CHARACTER OF USE:

GL 3787 - Diversified Agriculture purposes

GL 3858 - Intensive Agriculture or Special Livestock purposes.

TERM OF LEASE:

GL 3787

54 years, commencing on 12/02/1963 and expiring on 12/01/2017. Last rental reopening occurred on 4/25/2003; next rental reopening is scheduled for 12/2/2012.

GL 3858

54 years, commencing on 08/10/1964 and expiring on 08/09/2019. Last rental reopening occurred on 4/25/2003; next rental reopening is scheduled for 8/10/2014.

ANNUAL RENTAL:

GL 3787 - \$3,250 due annually.

GL 3858 - \$3,370 due annually.

CONSIDERATION:

\$ 500,000.00

RECOMMENDED PREMIUM:

Not applicable as the lease does not allow for a premium.

DCCA VERIFICATION:

ASSIGNOR:

Individual, not applicable

ASSIGNEE:

Place of business registration confirmed:	YES <u>X</u>	NO <u>  </u>
Registered business name confirmed:	YES <u>X</u>	NO <u>  </u>
Good standing confirmed:	YES <u>X</u>	NO <u>  </u>

REMARKS:

Both GL 3787 and GL 3858 were sold at public auction in 1960s. Mr. & Mrs. Warren Yee, the assignors, have been operating on these State parcels for over 40 years. Due to their ages, they decide to sell the leasehold interest.

The assignee, Milo Nursery and Landscape Maintenance, Inc. (Assignee) was set up by

Mr. & Mrs. Gabriel Machado in 1985. Over the past 23 years, the company was engaged in nursery and landscape business. Further, Mrs. Machado was awarded a Certificate of Agricultural Technology from Windward Community College in 1987. Staff believes the Assignee has the experience and ability to run a nursery on the subject State properties.

Assignee intends to grow plants including Yellow Plumeria, Singapore Plumeria, Areca Palms, Loulu Palms, Anthuriums and Lauae serving the local market.

The assignors are in compliance with all lease terms and conditions. In the past two years, there was no Notice of Default issued against the assignors pursuant to the lease.

Assignee has not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions.

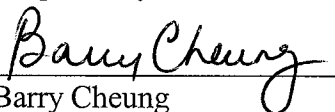
Department of Agriculture has no objections to the request, and the Office of Hawaiian Affairs has not responded as of the suspense date. Next rental reopening for the respective leases are scheduled in 2012 & 2014. There are no other issues concerning rental reopening or other terms and conditions of the subject leases.

RECOMMENDATION:

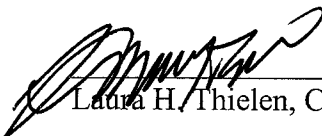
That the Board consent to the assignment of General Lease No. S-3787 and S-3858 from Warren Q. K. Yee and Ellen S. P. Yee, Trustees under Warren Q. K. Yee Revocable Living Trust and Ellen S. P. Yee Revocable Living Trust, as Assignor, to Milo Nursery & Landscape Maintenance, Inc. as Assignee, subject to the following:

1. The standard terms and conditions of the most current consent to assignment form, as may be amended from time to time;
2. Review and approval by the Department of the Attorney General; and
3. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,

  
Barry Cheung  
District Land Agent

APPROVED FOR SUBMITTAL:

  
Laura H. Thielen, Chairperson 